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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

ANNUAL REPORT 2012

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

ANNUAL REPORT 2012

VISION

SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

MISSION

SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

Governance
We provide leadership in methods of valuation and rules of assessment.

Assessment Services
We provide property assessment valuation services.

Information
We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

Quality
We promote and practice quality control and conduct quality assurance audits.

Communications
We consult with and inform local governments and the public about property assessment.

Innovation
We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity
We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

Professionalism
We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

Dedication
We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

Solution-Focused
We work collaboratively with others to understand needs and provide the best possible solutions.

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LETTER OF TRANSMITTAL FROM THE MINISTER

The Honourable Vaughn Schofield
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2012 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2012 to December 31, 2012.

Respectfully submitted,

Jim Reiter
Minister of Government Relations

Honourable Jim Reiter
Minister of Government Relations
Room 307, Legislative Building
Regina SK
S4S 0B3

Mr. David Marit, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina SK
S4P 2E1

Mayor Debra Button, President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

Dear Sirs/Madam:

On behalf of the Board of Directors, I respectfully submit the 2012 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2012 to December 31, 2012.

Yours sincerely,

Neal Hardy
Chair, Board of Directors

ANNUAL REPORT

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

BOARD REPORT 2012

BOARD REPORT 2012

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

L to R: Fred Clipsham, representing Urban; Sharon Armstrong, representing Urban; Morgan Powell, representing Rural; Neal Hardy, Chair, representing the Province; Jim Angus, representing the Province; Myron Knafelc, representing the Province; John Wagner, representing Rural.

The Saskatchewan Assessment Management Agency (SAMA) is the recognized leader of property assessment in Saskatchewan.

SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, ensure adequate resources for the long-term, provide needed research and policy development and establish a higher priority for the assessment function.

In 2012, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, statutory funding provided by the government also includes funding for the education sector. The balance of the Agency's revenue was primarily provided by the municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

SAMA is responsible for a $94 Billion property assessment base, and a $1.4 Billion property tax base. The Agency provides assessment valuation services to 756 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 805,000 properties in the province.

SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from seven regional offices – Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.

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BOARD OF DIRECTORS

CEO

TECHNICAL STANDARDS AND POLICY DIVISION

ASSESSMENT SERVICES DIVISION

FUNCTIONS
- Revaluation
- Field Work (Maintenance, Reinspections)
- Support of Value
- Data Entry

FINANCE DIVISION

FUNCTIONS
- Budgeting
- Accounting
- Asset Management
- Financial Reporting
- Procurement
- Office Accommodation

ADMINISTRATION DIVISION

QUALITY ASSURANCE DIVISION

FUNCTIONS
- Managing Director, Quality Assurance reports directly to the Board respecting Roll Confirmation and Audit Services.

LIAISON AND POLICY

FUNCTIONS
- Principal liaison with provincial government and cities
- Special projects

TECHNICAL STANDARDS

FUNCTIONS
- Assessment Manual, Training, Interpretation and Guidance Support

COMMUNICATIONS

FUNCTIONS
- Public Education
- Community Relations
- Stakeholder Relations
- Issues Management
- Strategic Planning
- Media Relations

HUMAN RESOURCES

FUNCTIONS
- Collective Bargaining
- Employee Relations
- Staffing and Classification
- Benefits Administration
- Central Records Keeping
- Training

INFORMATION SERVICES

FUNCTIONS
- Database Management
- Systems Development
- Technical Support

The SAMA Board of Directors (the Board) is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province. This includes oversight responsibility to ensure SAMA is regulating assessment valuation procedures, conducting assessment research, consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders, confirming municipal assessment rolls, maintaining a central information database and undertaking quality assurance functions, including primary and secondary audits. SAMA consults extensively to ensure the implementation of equitable and understandable assessment policies for property owners.

BOARD STRUCTURE

For 2012, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- three members named by the Ministry of Government Relations including the Board Chair.
- two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000; and
- one member named by SUMA for cities with a population exceeding 30,000.

Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.

The officers of the Board are the Chair and Vice-Chair. The Minister of Government Relations appoints the Chair, whereas the Board elects the Vice-Chair.

The role of the Board Chair is to ensure the integrity of the Board's processes. The Chair is the only authorized Board member to act as public and media spokesman for the Board, unless specifically delegated to another Board member.

The role of the Vice-Chair is to assume the role of Board Chair when the Chair is absent or unable to act. All Board members are eligible for election as Vice-Chair.

GENERAL RESPONSIBILITIES OF THE BOARD

The Board's role is to govern SAMA's affairs within the framework of relevant legislation and standards. The Board is responsible for achievement of the Agency's mission, for its stability and for communicating with stakeholders and other organizations to ensure that issues brought forward by SAMA's clients are dealt with adequately. The Board is also responsible for ensuring that it has sufficient information to monitor major areas of corporate performance.

The Board's primary responsibilities fall within nine general areas: statutory responsibilities, planning, financial stewardship, human resources stewardship, performance monitoring and accountability, risk management, community representation and advocacy, management of critical transitional phases and complaints review.

The Board's responsibilities include:

- Overseeing development and approval of a long-term corporate plan and approving annual budgets and operating plans.
- Defining and safeguarding the organizational mission, the values framework and operating principles within which it expects the Agency to be administered, and to review these periodically.
- Selecting a Chief Executive Officer (CEO) to whom the responsibility for administration of the Agency is delegated.
- Securing sufficient resources for the Agency to finance its programs adequately.
- Being accountable to the public and funders for the services of the Agency and expenditures of funds.
- Regularly reviewing the Agency's services to ensure that they are consistent with the purpose of the Agency, and that its programs are effective and relevant to community needs.
- Representing the Agency and its programs to stakeholders, and acknowledging stakeholder concerns.

The Board focuses on strategic leadership rather than administrative detail, highlighting important policy rather than operational matters.

ACCOUNTABILITY

The Board is accountable to the Province of Saskatchewan and those municipalities that provide funds for the operation of the Agency. The Board is also accountable, in a more general sense, to exercise good stewardship of the Agency on behalf of the trust placed in it by the province, local governments, the general public and other stakeholders.

RELATIONSHIP TO STAFF

The Board provides oversight and guidance to the CEO to ensure that SAMA's staff work cooperatively to carry out the objectives of the Agency. The Board relies on the ability, training, expertise and experience of staff to plan for, and provide services within, the Agency's mandate.

As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board charts for the Agency will affect the assessment system in the province for years to come. This requires that SAMA be held to a high standard as the Agency seeks to fulfill its Vision and Mission. By ensuring that the Agency's objectives are being met, and that we are continually improving our business processes, the Board ensures SAMA is delivering results that directly benefit our clients.

2010-2013 STRATEGIC DIRECTIONS

In March 2009, the SAMA Board established, in consultation with the Agency's funding stakeholders, five strategic directions to position and guide the Agency from 2010 through to 2013. These strategic directions focus on four generic perspectives – financial expectations, client and stakeholder expectations, internal business process expectations and learning and growth expectations.

SAMA prepares a performance plan each year to support its annual budget. The plan specifies the Agency's goals, objectives, key actions and performance measures for the budget year, with the additional element of planned expenditures for program objectives based on staff resources (FTEs). The performance plan is a key element of budget consultations with stakeholders that must take place prior to budget approval.

SAMA appreciates the input stakeholders have provided to its planning process for 2010 to 2013. The Agency will continue to consult closely with stakeholders and listen carefully to what is needed to improve the Saskatchewan assessment system and the service the Agency provides for municipalities and the Province.

LOOKING FORWARD – 2013-2017 STRATEGIC DIRECTIONS

SAMA has proposed four new strategic directions for 2013-2017:

1. Establish a new stakeholder supported funding model.
   - The Agency would seek new funding through fee for service options, a potential modification to the proportional levels of funding provided by local and provincial governments, and look into a cost-shared capital funding plan for new technology.
2. Simplify and streamline to improve efficiency and effectiveness.
   - The Agency is looking to reduce time spent on revaluations, to simplify our valuation models and putting a priority on reinspections.
3. Use policy, process and technology changes together to dramatically increase property inspections.
   - SAMA is looking to double the Agency's production rate by 2017, allowing the Agency to inspect our entire inventory of properties over a 10-year cycle following 2017.
4. Strengthen the capabilities of all employees.
   - The Agency will seek to maintain a skilled and experienced workforce, by providing an environment where staff have every opportunity to be successful.

The proposed strategic directions, along with the supporting details, were brought to the SAMA Board for adoption on January 30, 2013.

Following adoption of the strategic directions in January 2013, SAMA administration will proceed with the development of the 2014-2017 Business and Financial Plan, including a 2014-2017 funding plan. The funding plan will be developed in consultation with the Agency's funding stakeholders (Government Relations, SUMA, SARM) during the first half of 2013.

PRIORITY AREAS FOR THE BOARD IN 2012

TIMELY DELIVERY OF ASSESSMENT SERVICES

In 2012 the Board continued to be focused on timely delivery of annual assessment maintenance, increasing the volume of inspections, and changing the way the organization does things, with particular emphasis on how the Agency can simplify our processes and better meet our client's needs going forward.

SAMA'S FUNDING FORMULA

The Board, in consultation with SUMA, SARM and the provincial government, also focused on potential changes to SAMA's current funding model in 2012 and considered a variety of options ranging from cost shared funding between the province and municipal sector for new technology to a fee for service model to provide incremental revenue to sustain the Agency's capacity to continue to support the growth of our client municipalities. One roadblock that was uncovered in 2012 is that the legislation that governs the process the Agency must follow to seek additional revenue does not provide the necessary flexibility for SAMA to pursue more market based options for seeking necessary funding. The work of establishing a new stakeholder supported funding model for SAMA will continue to be a focal point in 2013.

GOVERNANCE

SAMA's Board of Directors occupies a central position in the governance of the Agency. The Board's general role is to foster the organization's short and long-term success consistent with its mandated objectives and accountability to stakeholders, municipalities, the provincial government and the public. Maintaining a positive relationship with all municipalities is essential to a stable assessment base for Saskatchewan communities, and to our joint success.

Neal Hardy,
Chair, Board of Directors

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.

The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

The committee has established and maintains a sub-committee called the Commercial Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2013 Revaluation.

- The Legal and Legislative Review Committee represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Government Relations, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.

CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2012

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

CITY ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Neal Hardy	SAMA Board Chair
John Wagner	SAMA Board Member
Glenn Hagel	City of Moose Jaw
Garry McKay	City of Moose Jaw
Cheryl Ring	City of Prince Albert
Greg Dionne	City of Prince Albert
Pat Fiacco	City of Regina
Don Barr	City of Regina
Pat Lorje	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vicky Bonnell	Saskatchewan School Boards Association, Trustee
Robert Schultze	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Vacant	Ministry of Municipal Affairs
John Edwards	Ministry of Municipal Affairs
Dan Danielson	Saskatchewan School Boards Association, Administrator
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Ray Goruick	City of Moose Jaw
Vacant	City of Moose Jaw
Brian Moore	City of Prince Albert
Joe Day	City of Prince Albert
Deborah Bryden	City of Regina
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Vacant	City of Saskatoon

ADMINISTRATIVE SUPPORT:	
Irwin Blank, CEO	SAMA
Shaun Cooney, Committee Secretary	SAMA

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2012

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

COMMERCIAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Neal Hardy, Committee Chair	SAMA Board Chair
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
Morgan Powell (non-voting)	SAMA Board Member, Rural Sector
Jim Angus (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Judith Veresuk	Regina Downtown Business Improvement District
Jeff Lendgren	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Vacant	Association of Saskatchewan REALTORS
James Camplin	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Kerry Hidalgo	Building Owners and Managers Association
Roger Leachman	Canadian Property Tax Association
Alan Thomarat	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Rick Jukes	National Golf Course Owners Association, Saskatchewan Chapter
Andy Travers	Inland Terminal Association of Canada
Rod Braddock	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
Devin Wegner	Canadian Association of Petroleum Producers
Randle Green	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Denise Stroeder	Tourism Saskatchewan
Robert Schultze	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada

COMMERCIAL ADVISORY COMMITTEE MEMBERS (continued)

OBSERVERS:

Norm Magnin	Ministry of Municipal Affairs
Jeremy Karwandy	Ministry of Enterprise Saskatchewan
Cam Pelzer	Ministry of Tourism, Parks, Culture and Sport
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Brian Moore	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Michael Kehler	City of Swift Current
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT:

Gord Larson, Committee Secretary	SAMA

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2012

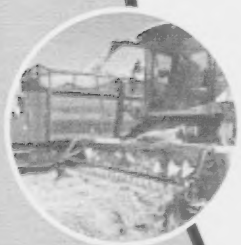
The Rural Advisory Committee is responsible for rural municipalities.

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Neal Hardy	SAMA Board Chair
Morgan Powell	SAMA Board Member, Rural Sector
Jim Angus	SAMA Board Member
Allan LaRose	R.M. of Hazelwood No. 94
Delbert Schmidt	R.M. of Longlaketon No. 219
Vacant	R.M. member
David Popowich	R.M. of Good Lake No. 274
Gordon Meyer	R.M. of Progress No. 351
Doug Oleksyn	R.M. of Shellbrook No. 493
Darryl Senecal	Saskatchewan Association of Rural Municipalities, Board Member
George Watson	Provincial Association of Resort Communities
Janet Foord	Saskatchewan School Boards Association, Trustee
Roger Frey	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Jane Laich	Ministry of Municipal Affairs
Dale Harvey	Saskatchewan Association of Rural Municipalities, Executive Director
Maureen Sample	Saskatchewan School Boards Association, Administrator
Kim McIvor	Rural Municipal Administrators Association of Saskatchewan
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT:	
Steve Suchan, Committee Secretary	SAMA



URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2012

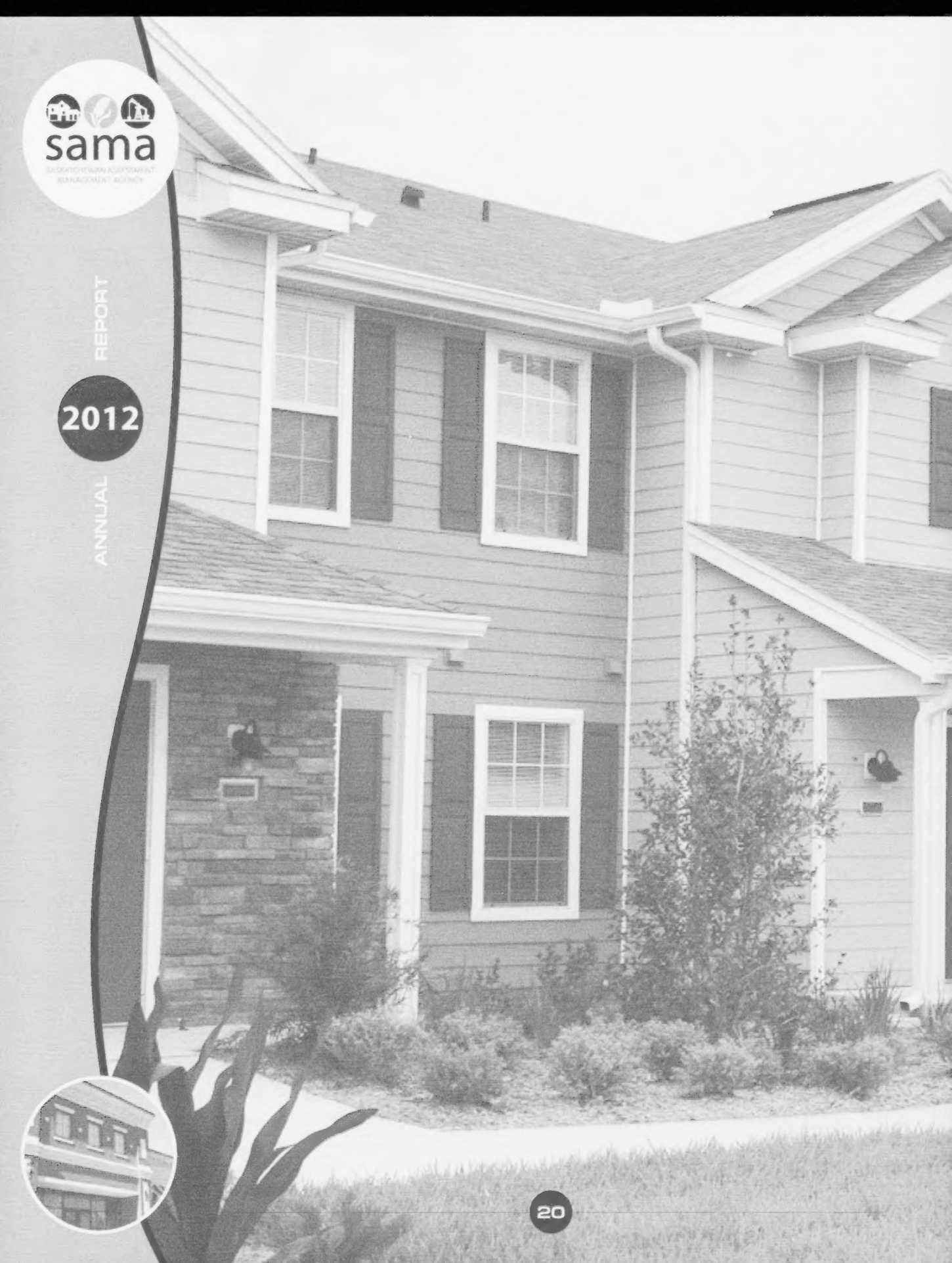
The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

URBAN ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Neal Hardy	SAMA Board Chair
Fred Clipsham	SAMA Board Member, City Sector
Myron Knafelc	SAMA Board Member
Malcolm Eaton	City of Humboldt
Rod Beatty	City of Estevan
Fran Passmore	Town of White City
Paul Topola	Town of Assiniboia
Roni Goulet	Village of Buena Vista
Randy Christie	Village of Dysart
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Grant Gustafson	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Kelly Munce	Ministry of Municipal Affairs
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Curt Van Parys	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Garry McKay	City of Weyburn, Commissioner
Irwin Blank, CEO	SAMA

ADMINISTRATIVE SUPPORT:	
Todd Treslan, Committee Secretary	SAMA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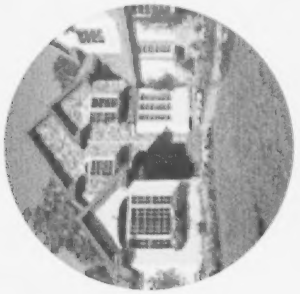
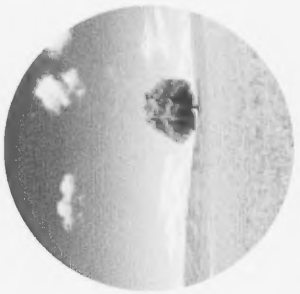
EXECUTIVE REPORT 2012





EXECUTIVE REPORT

2012

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

L to R: George Dobni, Managing Director, Finance; Brad Korbo, Managing Director, Assessment Services; Irwin Blank, Chief Executive Officer; Steve Suchan, Managing Director, Technical Standards and Policy; Betty Rogers, Managing Director, Administration; Gordon Senz, Managing Director, Quality Assurance.

Missing from Photograph: Penny Gingras, Executive Assistant.

SAMA is responsible for a property assessment base of over $94 Billion that was used to provide revenue to municipalities and the education sector of $1.40 Billion in 2012. Through the governance of the overall assessment system in Saskatchewan and the provision of assessment services to our 756 client municipalities, the Agency provides a financial foundation for municipalities and the education sector that they can use to establish and sustain local programs and services. By maintaining an assessment system that has reasonable costs, and delivering comprehensive, professional and equitable assessment services to all municipalities, SAMA supports continued local autonomy for municipalities whether small or large.

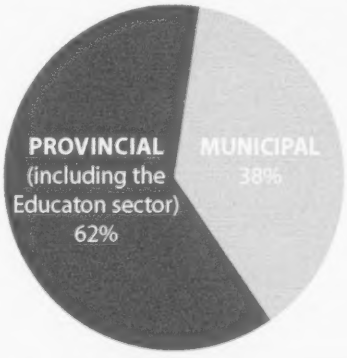
2012 was a year of operational and policy successes for the Agency, with the successful delivery of 2013 preliminary values to government in the first quarter of the year, followed by the delivery of preliminary 2013 values to our client municipalities in the second and third quarters of the year. The Agency continued to advance the timely delivery of our annual maintenance requests for our clients, while successfully implementing a new market valuation handbook, successfully supporting the new market value legislation in court and updating our manual to add new quality assurance standards and improved valuation policies for valuing agricultural – residential mixed use land. The Board and the staff at the agency worked hard to meet these operational objectives, while facing tightening budget restrictions due to overall SAMA operating revenue levels that remained unchanged in 2012, and are currently $1.39 Million below the level of revenue received in 2009.

2012 BUDGET AND FUNDING FORMULA

SAMA operates under a 65:35 funding formula, with government (Ministry of Government Relations) paying up to 65% of SAMA's budget, and the municipal sector paying 35% of SAMA's budget through municipal requisitions. This funding formula includes a cap on total municipal requisitions, which remains in effect until government reaches their 65% portion of total SAMA funding.

In 2012, funding shares were maintained at 62% Provincial and 38% municipal. The Provincial portion of funding includes the portion of SAMA's funding that had been provided by the education sector, prior to the government taking over administration of education funding in 2010.

SHARE OF FUNDING IN 2012



Legislated funding shares:
● Provincial ● Municipal

Client municipalities pay a requisition fee for SAMA's assessment services. The total requisition in 2012 was $5.8 million. Rural and urban portions of the requisition are kept separate. Consequently, changes in the numbers of urban properties impact only on urban municipalities while changes in the number of rural properties impact only on other rural municipalities. The total amount collected by SAMA from our client municipalities remains fixed at $5.8 million and has remained unchanged since 2004. In 2012, the agency delivered services with a balanced budget and revenues and expenditures of $15.743 million, which were unchanged from 2011. Excluding the staff working under a private contract with the City of Moose Jaw, the number of permanent employees in SAMA was effectively reduced to 144 staff, after accounting for an additional 8.0 full time permanent positions that were kept vacant throughout 2012.

Including the 8.0 full time positions that were kept vacant, the agency's effective permanent workforce for 2012 has been reduced by 19% (34 staff) in three years.

OPERATING REVENUE

SAMA is responsible for providing quality, efficient and cost effective assessment valuation services to client municipalities and the education sector.

The revenue the agency receives has been reduced by 12 percent on a dollars per property basis over the last three years – from $22.21 per property in 2009 to $19.56 per property in 2012. This reduced operating revenue per property can be attributed to a combination of funding reductions ($1.39 million in 2010) and funding freezes in 2011 and 2012, combined with an increasing inventory of assessable properties. The agency's assessable property inventory has increased 2.8% since 2009.

While operating costs have been reduced to match the decrease in revenue, the implementation of Lean business process improvements over the past four years has effectively offset any significant negative impact on the agency's services to client municipalities and the province, with the exception of general reinspections of municipalities, which are down substantially relative to our original 2010 to 2013 projections.

LEAN PHILOSOPHY

In 2008, SAMA embarked on a business process improvement strategy called the Lean philosophy. Lean is aimed at engaging the talents of the Agency's people to eliminate waste, and create value for the customer. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean at SAMA are:

- A 25% increase in efficiency and productivity between 2009 and 2013;
- Highly engaged staff, that take ownership of the business processes; and
- An Agency in a much better position to meet the increasing demands from clients.

Under the Lean initiative the Agency has:

- Successfully advanced the annual maintenance program by 3-4 months, and in 2012 completed the work for 472 (62.4%) client municipalities by December 31st. In comparison, only 105 (13.9%) of client municipalities received their annual maintenance by December 31st in 2009.
- Increased property reinspection productivity of 57% over four years from 761 properties per appraiser FTE in 2008 to 1,198 properties per appraiser FTE in 2012.
- Changes to sales verification, market analysis and support of value processes reduced total appraiser time to complete the 2009-2012 revaluation cycle by 28.1 FTEs or 22% – an average of 7.0 FTEs for each year of the program.

One of Lean's strengths is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date. Lean process improvement initiatives will continue to be a focus for SAMA in 2013 and beyond.

ECONOMIC GROWTH IN SASKATCHEWAN

The Saskatchewan Assessment Management Agency is responding to meet the challenges and opportunities that come with a vibrant and growing economy. The agency continues to make changes that enable us to meet the demands of Saskatchewan's strong economy, and to provide municipalities the resources they need to succeed and grow in the new economy.

Continued positive economic growth for Saskatchewan in 2012 resulted in continued growth in property assets in Saskatchewan municipalities. The assessment of additional property assets increases the revenues available to municipalities and to the education sector.

This continued growth in property assets provided an estimated $21.9 million in annually recurring property tax revenues for the agency's municipal clients and the education sector. Municipalities received an estimated $13.9 million and the education sector received $8.0 million in additional property tax revenues from services provided by the agency.

REVALUATION 2013

SAMA updated assessments in 2013 to capture the change in value caused by growth in the province, so that property assessments are transparent, understandable and accurate for our clients: taxpayers, local governments and the provincial government.

SAMA conducts revaluations based on a four-year cycle. 2009 was the year of the last revaluation, and the 2013 Revaluation will see assessed values updated to reflect a new base date of January 1, 2011. The base date is the date to which all assessed values are related. Based on the strength of the real estate market between the last base date of June 30, 2006 and the new base date of January 1, 2011, assessment shifts are higher than any revaluation since 1997.

Although local governments and the provincial government already have the authority to mitigate overall/average assessment changes through their annual budget and mill rate processes, SAMA recognized that all parties would need as much time as possible to examine the assessment shifts and make tax policy decisions prior to 2013.

As part of meeting legislated reporting requirements, SAMA submitted preliminary assessment values to the province on April 1, 2012. The preliminary 2013 property values were then distributed to municipalities in the summer of 2012 after all the 2012 maintenance work was completed and incorporated into the 2013 preliminary assessments.

LOOKING FORWARD INTO 2013 – WHAT'S NEXT?

SAMA's goal to communicate value changes well ahead of the 2013 Revaluation allowed municipalities and government time to review and provide feedback on the preliminary values and generate policies and budgets with as much information as possible.

The provincial government announced the 2013 percentages of value in November, 2012. All percentages of value will remain the same except for those applicable to grain elevators, railway rights of way and pipelines which will be changed from 75% to 100%.

The percentages of value applicable for the 2013 revaluation are as follows:

(a) Non-arable (Range) Land and Improvements - 40%;
(b) Other Agricultural Land and Improvements - 55%;
(c) Residential - 70%;
(d) Multi-unit Residential - 70%;
(e) Seasonal Residential - 70%;
(f) Commercial and Industrial - 100%;
(g) Grain Elevators - 100%;
(h) Railway Rights of Way and Pipeline - 100%.

SAMA completed maintenance of over 75% of expected 2013 municipal maintenance requests in the last part of 2012 to be ready to implement the revaluation in 2013. The Agency completed the 2013 assessments in early January and sent out updated values to municipalities starting in mid-January. We look forward to working closely with our client municipalities to meet their needs regarding these new values.

The Agency will be making full use of SAMAView to communicate assessed values for the 2013 Revaluation. SAMAView is a website application that allows the general public access to individual property assessments for all SAMA client jurisdictions. In an effort to improve the transparency of assessments to the public, the Agency is also revamping our SAMAView web application for 2013, improving speed and usability, and increasing the amount of assessment data available on the site. SAMA plans to post final 2013 Revaluation property assessments on SAMAView, with a target date of February 1, 2013, so that the data will be available to property owners as soon as they receive their new assessment notices.

REVENUE NEUTRALITY

While a revaluation updates property assessments, it is designed to be revenue neutral on an overall municipal budget basis. Provided that a municipality's budget requirements remain the same in a revaluation year as in the previous year, changes in taxable assessments will only result in changes to tax levels if a property's assessment increases or decreases substantially, relative to the average for that jurisdiction.

Based on the current provincial government practice of establishing common provincial education mill rates, education revenue neutrality and potential education tax shifts will be based on how a specific assessment change relates to the overall provincial average increase in assessments for that same category of properties. For 2013, the provincial government has introduced a new resource commercial category that includes oil and gas properties and equipment, pipelines and mines, as well as a general commercial category that includes all other properties that fall within the commercial tax class.

HOTEL AND MOTEL ASSESSMENTS

SAMA revised the hotel and motel income approach valuation models in 2011 to ensure that they are more understandable to property owners. These revisions included making additional adjustments for non-realty components of hotels and excluding revenue derived from the operation of Video Lottery Terminals (VLT's) for assessment purposes. At the same time that these adjustments were made, SAMA also changed our valuation practices for hotel properties in small jurisdictions with limited room rental revenue to a cost approach based assessment. This was to ensure that non-realty components of those hotels did not improperly impact the assessed value of those properties. These valuation models were stabilized for 2012 with no additional changes to our valuation processes introduced this year.

In preparation for the 2013 revaluation, SAMA continues to refine our hotel valuation processes to ensure that the new 2013 assessed values solely reflect the value of the land and improvements and exclude any non-realty value influences. These ongoing refinements will also help to ensure those new hotel valuations are equitable with the balance of commercial property assessments in each community.

ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 756 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 805,000 properties in the province. Core processes include inspection of properties through annual maintenance and general reinspections, revaluations (every four years), and support of value.

SUPPORT OF VALUE

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings, and all levels of appeal (Board of Revision, Saskatchewan Municipal Board and Court of Appeal). SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

In 2012, a total of 780 property assessment appeals were filed with local Boards of Revision; 89.7% were withdrawn or resolved through agreements to adjust. 88 appeals were heard by the Boards of Revision, and 23 of those were appealed to the Saskatchewan Municipal Board.

PROPERTY INSPECTION PROGRAMS

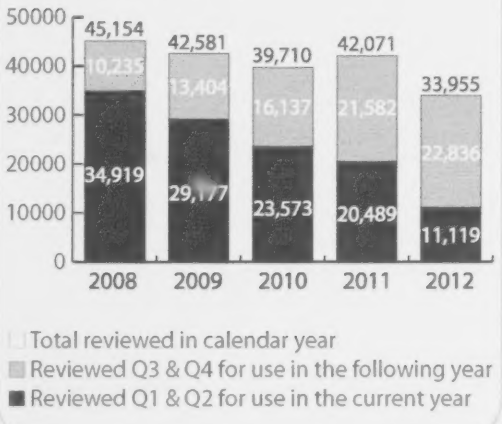
SAMA ensures detailed property assessment records are kept current through the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in a municipality can be reviewed under the general reinspection program. General reinspections ensure that all properties in a municipality are fairly and equitably valued.

MAINTENANCE

The annual maintenance program reviews and updates properties with changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each identified property and provides the municipality with an updated assessed value for their assessment roll.

The agency planned to complete 43,000 annual maintenance reviews of residential, commercial and agricultural land properties – 11,000 properties in the first and second quarter for use on 2012 municipal assessment rolls and 32,000 properties in the third and fourth quarter for use on 2013 municipal assessment rolls.

ANNUAL MAINTENANCE REVIEWS
Number of Residential, Commercial and Agricultural Properties



By December 31, 2012 municipal clients had submitted 39,840 residential, commercial and agricultural land properties for review – 11,119 properties for use on 2012 municipal assessment rolls and 28,721 properties for use on 2013 municipal assessment rolls.

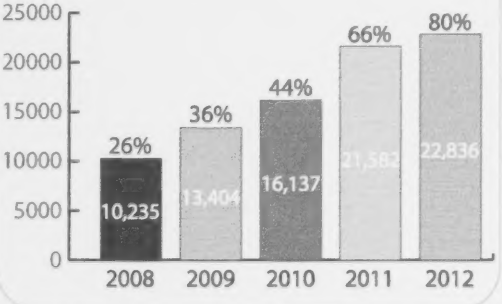
Annual maintenance reviews were completed on 33,955 residential, commercial and agricultural land properties – 85% of the 39,840 properties submitted for review. The remaining 5,885 properties plus an additional 3,200 properties still expected from municipalities will be reviewed in the first and second quarter of 2013.

SAMA continued to make progress at improving the timeliness of assessment maintenance service in 2012. As a result of process improvements, 2012 maintenance commenced earlier than 2011 maintenance work.

SAMA's long-term target is to deliver 100% of the following year's maintenance by December 31 of the previous year. In 2012, the agency reviewed 22,836 properties (80% of the annual maintenance program) by December 31st, a significant improvement over 2008 when only 10,235 properties had been reviewed by year end.

The positive effects of Lean process improvements on SAMA's maintenance work are shown in the increases to the amount of maintenance reviews for the following year SAMA completed in the current year.

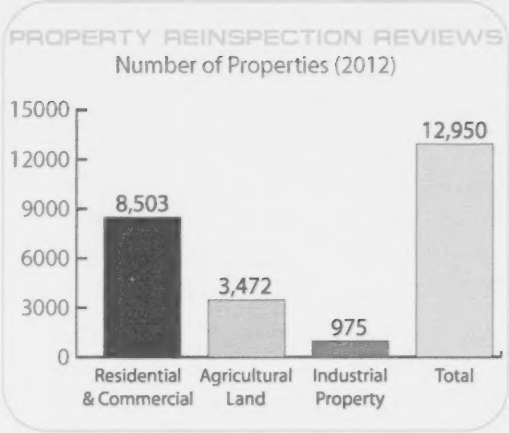
ANNUAL MAINTENANCE REVIEWS COMPLETED
Percentage of Following Year's Assessment Roll Reviewed by December 31st



REINSPECTION PROGRAM

Over time, property assessments become dated because of property improvements, and gradual wear and tear, that are not identified through an annual maintenance review. The general reinspection program undertakes to review each property to re-establish a uniform base of up-to-date property records for the municipality.

In 2012, reinspection reviews were completed on 12,950 properties – 8,503 residential and commercial properties, 3,472 agricultural land properties and 975 industrial properties.



Over the past four years appraiser efficiency has progressively improved as a result of implementation of Lean business process improvements.

Property reinspection productivity has increased to 1,198 properties per appraiser FTE, an increase of 57% from the 2008 starting point of 761 properties per appraiser. The agency's initial goal was to attain a 25% productivity increase by 2011.

2013 REVALUATION

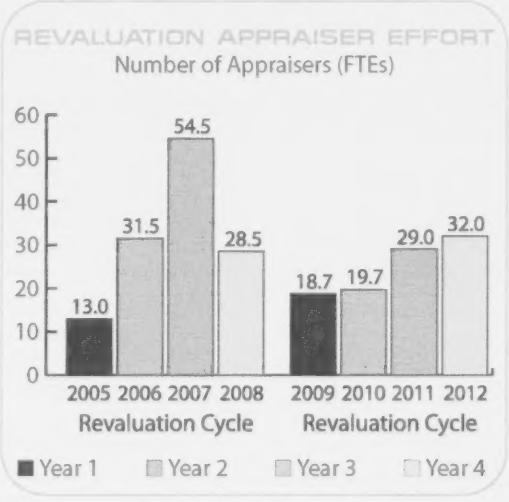
The Assessment Services Division distributed preliminary 2013 property values to municipalities in the summer and fall of 2012 and prepared final 2013 property values by the end of 2012 for delivery to municipalities in January 2013.

REVALUATION PROGRAM

The appraiser resources used to deliver the revaluation program vary from year-to-year over a four-year revaluation cycle. The focus in Year 1 is on implementation and support of value, in Year 2 on sales verification, in Year 3 on market analysis and Year 4 on quality assurance and finalization.

Business process improvement changes to the sales verification and market analysis processes have resulted in a significant reduction in total appraiser time on revaluation activities.

For the 2009-2012 revaluation cycle the agency utilized a total of 99.4 FTEs on the revaluation program, compared to 127.5 FTEs for the 2005-2008 revaluation cycle – a reduction of 28.1 FTEs or 22%.



THE COMPETITIVE ASSESSMENT ENVIRONMENT

Since 1995, a provision in *The Assessment Management Agency Act* has been made available that allows municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions and SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

As of May 2010, SAMA and the Minister of Education's consent are now needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency.

Jurisdictions that employ their own appraisal personnel still must follow the regulated Saskatchewan Assessment Manual and provincial assessment legislation.

The cities of Saskatoon, Regina, Prince Albert and Swift Current do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA. As of January 1, 2012, 14 other urban municipalities did not use SAMA's valuation services, which is unchanged from 2011.

TECHNICAL STANDARDS AND POLICY

The Technical Standards and Policy Division (TS&P) is responsible for researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. This involves considerable consultations with the Province, clients and stakeholders to ensure transparency and support on assessment policy matters. As part of this liaison process, TS&P is involved in the provision of assessment information to the Province, municipalities, school divisions and the public.

The TS&P division advises the Board and the Province with respect to property assessment legislation, prepares assessment related Board Orders, and also prepares manuals, guidelines, handbooks and other materials required in the assessment of property. Valuation materials may be revaluation cycle specific; such as the regulated *Assessment Manual* and the non-regulated *SAMA Cost Guide*, or may not be tied to a specific revaluation cycle, such as the non-regulated *Market Value Assessment in Saskatchewan Handbook*.

TS&P is responsible for liaising with independent assessment service providers regarding assessment policy and valuation practices. These activities include quality coordination and control activities to ensure consistent application of assessment valuation practices, which includes facilitating and overseeing the provincial revaluation cycle that occurs every four years. Further to this, TS&P provides technical support for assessment service providers that use SAMA's computerized assessment valuation system, the Saskatchewan Property Assessment Network (SPAN).

TS&P also has a leadership role in identifying new computer based technologies to improve the efficiency of SAMA's mass appraisal processes as well as accuracy of assessments.

NEW PUBLICATIONS

The SAMA Board of Directors has approved two new publications for use in preparing 2013 Revaluation assessments:

1. *Saskatchewan Assessment Manual (2011 Base Year)*
2. *SAMA's 2011 Cost Guide*

SAMA also uses the *Market Value Assessment in Saskatchewan Handbook* (Handbook) for valuing properties to meet the market valuation standard.

SAMA's stakeholders, through the Agency's advisory committees, reviewed and contributed to these publications. The *Saskatchewan Assessment Manual* has the force of regulation and must be complied with, while the Cost Guide and Market Value Handbook do not – they are documents within the market valuation standard.

There are two parts in the *Saskatchewan Assessment Manual.* Part I, "Median Assessed Value to Sale Price Ratio," and Part II, "Regulated Property." Part I of The Saskatchewan Assessment Manual relates to Quality Assurance and applies to properties that fall under the market valuation standard in the Municipal Acts. Part II of the manual contains the formulas, rules and procedures that must be followed to value properties that fall under the regulated property assessment standard in legislation.

The five chapters in Part II of the *Saskatchewan Assessment Manual* are used to value agricultural land, heavy industrial property, railway roadway, pipelines and resource production equipment (mines and oil and gas wells).

SAMA's 2011 Cost Guide is a non-regulated document to be used as a reference for SAMA assessment appraisers and the public regarding the application of the cost approach for the valuation of vacant urban land, residential property and selected commercial property for the 2013 Revaluation.

The *Market Value Assessment in Saskatchewan Handbook* provides guidance for the assessment of market valuation standard properties with a focus to commercial property and the property income (rental) approach. The Handbook underwent a major update for the 2013 revaluation, with help from technical experts from the Cities of Saskatoon and Regina, and representatives from SAMA's Commercial Advisory Committee. The updated Handbook better reflects legislation and the market valuation standard in the province, which specifically requires the use of mass appraisal processes.

Similar to the *SAMA's 2011 Cost Guide,* the handbook is a non-regulated document. It is intended as a reference tool for assessment appraisers and the public in determining assessments for the 2013 Revaluation.

Hard copies of these publications will be provided for a fee that covers the cost to print the documents and any applicable license fees, and will include an update service.

The *Market Value Assessment in Saskatchewan Handbook,* portions of the *Saskatchewan Assessment Manual (2011 Base Year)* and *SAMA's 2011 Cost Guide,* for which a licence fee is not payable, are available free of charge on SAMA's Internet site (www.sama.sk.ca).

OTHER COST GUIDES

When applying the cost approach, assessment service providers may refer to publications from Marshall & Swift/Boeckh, LLC., a recognized industry leader in costing of commercial and residential property. SAMA uses the *Marshall Valuation Service* for the majority of commercial properties valued using the cost approach. *The Residential Cost Handbook* can be used for estimating replacement costs for both single and multi-family residences. SAMA's Cost Guide, the Handbook and Marshall and Swift's Marshall Valuation Service complement each other in regards to the application of the cost approach.

INFORMATION SERVICES

In 2012, SAMA's Information Services Branch (IS) continued to focus on ensuring the Agency is served by modern and efficient technology.

Internally, Information Services continued to improve its service delivery to the Agency using Lean methods and tools, and focusing on high value, effective initiatives.

SAMAVIEW

SAMAView is a website application that allows the general public access to individual property assessments for all SAMA client jurisdictions. In an effort to improve the transparency of assessments to the public, the Agency revamped the SAMAView web application for 2013, improving speed and usability, and increasing the amount of assessment data available on the site.

The Agency plans to make full use of SAMAView to communicate assessed values for the 2013 Revaluation.

You can access SAMAView by going to SAMA's website (www.sama.sk.ca) and clicking on the SAMAView link.

WHAT ARE THE BENEFITS OF SAMAVIEW?

With SAMAView you can:

- Verify your property assessment information;
- Compare your assessment to similar or neighbouring properties; and
- Get a general idea of assessed values in your municipality.

KEY 2012 INITIATIVES FOR BUILDING FUTURE TECHNOLOGY CAPACITY

The IS Branch completed significant software upgrades to ensure that our main assessment application (Govern Computer Assisted Mass Appraisal System) and our Geographic Information Services programs were brought up-to-date.

HUMAN RESOURCES

For the year 2012, the Agency's budgeted number of employees was 152.25 permanent positions. 110.5 positions were in the Assessment Services division, which does not include six positions that are part of our assessment service contract with the City of Moose Jaw. Eight permanent positions were kept vacant throughout 2012, for an effective total of 144.25 employees.

Items of note for 2012:

- Worked with Assessment Services Division to pilot the Training Within Industry program for business process improvement activities.
- Continued improvements to new employee on-boarding program with the development of an *Employee Handbook*.
- Developed a *Code of Conduct Guide* for all SAMA staff.
- Processed five in-scope position reclassification requests.
- Updated the management position classification system.
- Held Agency-wide staff meeting in May.

WORKFORCE PLANNING

The Agency continues to address workforce planning by:

- Recruiting people with the right type of attitude and motivation that are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people.
- Enhancing the Agency's employee engagement strategies to build and sustain a healthy and viable organization.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. The Agency continues its:

- $5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA);
- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies.
- Attendance at the second annual Business Job Fair at Lakeland Community College's Lloydminster campus.

EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2012, SAMA continued to place significant emphasis on training and development for all employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

COMMUNICATIONS

In 2012, SAMA's Communications Branch was focused on preparing the Agency for the 2013 Revaluation by implementing a 2013 Revaluation Communications Plan, which included updating our educational literature, and helping to more publicly position the Agency to deal with the impacts of the 2013 Revaluation.

2013 Revaluation informational literature, including our updated 2013 Revaluation Information Sheets, is available on our website (www.sama.sk.ca).

SAMA underwent a rebranding in 2012, wherein the Agency's logo and colour scheme were updated.

SAMA is committed to ensuring that the Agency is served by modern and efficient technology. From a communications perspective, SAMA's website (www.sama.sk.ca) is a vital part of how we communicate with our stakeholders, our client municipalities and the public.

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

FINANCIAL REPORT 2012

FINANCIAL REPORT

2012

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

OPERATING REVENUES

Operating revenues increased nominally by $9,816 or 0.1% to $16,154,041, up from $16,144,225 in 2011.

- The provincial grant and municipal requisition remained at 2011 levels of funding. The total cost to municipalities for funding SAMA has not increased since 2004.

OPERATING EXPENSES

Total operating expenses increased by $189,160 or 1.2% to $15,712,508 from $15,523,348 in 2011.

- Salaries and benefits increased $77,067, over the prior year, primarily because of wage increases resulting from the union agreement with our in-scope employees;
- Other expenses increased a net of $112,093 chiefly because of higher computer and travel expenses required to deliver timely maintenance to our clients.

OPERATING SURPLUS AND RESERVE ALLOCATION

- The Agency recorded an operating surplus of $266,258 in 2012 after $175,275 was transferred to the capital fund for purchase of capital assets;
- The 2012 surplus was generated largely by not filling a number of vacant positions throughout the year and savings in other expenses, as compared to the 2012 budget;
- $186,208 of the operating surplus was primarily targeted to Agency reserves to provide funding for deferred or committed expenditures in 2013;
- The net increase of $186,208 in reserves, after 2012 reserve expenditures of $377,875 include the following:
  - $280,000 for temporary employees to work on sales verification activities and provide additional industrial operational and administrative support;
  - $214,083 to provide for job reclassification costs;
  - $40,000 to fund computer consultant costs working on a sales application project;
  - $30,000 to fund overtime in 2013 required to meet maintenance delivery targets;
- Over the years 2009 through 2011 a payable of $311,300 was set aside to cover implementation costs of a revised classification plan for Agency employees. Because of budget constraints the plan was shelved and the remaining payable of $214,083 will be used to fund long standing reclassification requests under the existing classification plan.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

We have audited the accompanying financial statements of Saskatchewan Assessment Management Agency, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of revenues and expenses and changes in fund balances, and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Assessment Management Agency as at December 31, 2012, December 31, 2011 and January 1, 2011, the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte & Touche LLP

Chartered Accountants

February 22, 2013
Regina, Saskatchewan

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012, December 31, 2011 and January 1, 2011

	December 31 2012	December 31 2011 (Note 2)	January 1 2011 (Note 2)
CURRENT ASSETS			
Cash	$ **378,440**	$ 414,675	$ 104,942
Accounts receivable and accrued interest	**138,442**	147,973	101,848
Municipal requisition receivable	**12,545**	3,057	15,823
Province of Saskatchewan grant receivable	**1,391,250**	1,391,250	1,391,250
Prepaid expenses	**333,504**	245,131	255,458
	2,254,181	2,202,086	1,869,321
CAPITAL ASSETS (Note 4)	**1,579,584**	2,124,745	2,850,726
INTANGIBLE ASSET (Note 5)	**31,268**	66,185	110,308
	$ **3,865,033**	$ 4,393,016	$ 4,830,355
CURRENT LIABILITIES			
Accounts payable	$ **489,829**	$ 766,416	$ 862,707
Government remittances payable	**2,314**	34	-
Deferred revenue	**101,547**	56,274	117,474
Current portion of deferred contributions related to SPAN (Note 6)	**578,752**	578,752	578,752
Current portion of obligations under capital lease (Note 7)	**44,774**	58,502	54,288
	1,217,216	1,459,978	1,613,221
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 6)	**578,749**	1,157,501	1,736,253
OBLIGATIONS UNDER CAPITAL LEASE (Note 7)	**78,760**	15,322	73,824
	1,874,725	2,632,801	3,423,298
NET ASSETS			
Capital fund	**344,688**	380,853	517,917
Operating fund			
Reserves (Note 8)	**1,370,186**	1,183,978	781,077
Unrestricted	**275,434**	195,384	108,063
	1,645,620	1,379,362	889,140
	1,990,308	1,760,215	1,407,057
	$ **3,865,033**	$ 4,393,016	$ 4,830,355

See accompanying notes

APPROVED BY THE BOARD

Director Director

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

- SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
- STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - OPERATING FUND

Years ended December 31, 2012 and December 31, 2011

	Budget 2012 (Unaudited)	Actual 2012	Actual 2011 (Note 2)
REVENUES			
Province of Saskatchewan operating grant	$ 10,248,000	$ 9,565,000	$ 9,565,000
Municipal requisitions	5,787,730	5,798,268	5,795,487
Fees	352,000	285,308	263,473
Interest	20,000	15,929	12,077
Appraisal and assessment services	498,130	475,662	449,976
Miscellaneous	43,500	13,874	58,212
	16,949,360	16,154,041	16,144,225
EXPENSES			
Geospatial imagery (formerly aerial photography)	86,940	60,000	35,871
Bank and payroll charges	17,510	17,977	30,154
Communications	45,250	16,431	17,342
Computer services, software and supplies	1,120,930	1,063,273	956,551
Insurance	24,780	19,011	18,837
Land titles information	247,780	209,925	201,002
Office	502,880	381,934	379,892
Printing and data licensing	186,250	140,779	113,953
Professional	198,460	132,931	208,296
Rent	942,380	934,720	957,651
Salaries and benefits	12,307,350	11,886,404	11,809,337
Staff training and development	241,400	211,334	206,362
Travel and accommodation	756,700	637,789	588,100
	16,678,610	15,712,508	15,523,348
EXCESS OF REVENUES OVER EXPENSES	270,750	441,533	620,877
Inter-fund transfers			
Capital asset purchases	(270,750)	(175,275)	(130,655)
Operating fund balance, beginning of year	1,379,362	1,379,362	889,140
Operating fund balance, end of year	1,379,362	1,645,620	1,379,362
Reserves (Note 8)	(1,379,362)	(1,370,186)	(1,183,978)
UNRESTRICTED FUND BALANCE, END OF YEAR	$ -	$ 275,434	$ 195,384

See accompanying notes

- SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
- STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - CAPITAL FUND

Years ended December 31, 2012 and December 31, 2011

	2012	2011 (Note 2)
REVENUES		
Province of Saskatchewan restricted grant (Note 6)	**$ 578,752**	$ 578,752
EXPENSES		
Amortization of capital assets (Note 4)	**755,274**	802,348
Amortization of intangible asset (Note 5)	**34,918**	44,123
DEFICIENCY OF REVENUES OVER EXPENSES	**(211,440)**	(267,719)
Inter-fund transfers		
For purchase of capital assets	**175,275**	130,655
CAPITAL FUND, BEGINNING OF YEAR	**380,853**	517,917
CAPITAL FUND, END OF YEAR	**$ 344,688**	$ 380,853

See accompanying notes

- SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
- STATEMENT OF CASH FLOWS

Years ended December 31, 2012 and December 31, 2011

	2012	2011 (Note 2)
OPERATING		
Excess of revenues over expenses:		
Operating fund	$ **441,533**	$ 620,877
Capital fund	**(211,440)**	(267,719)
Items not affecting cash		
Amortization of capital assets	**755,274**	802,348
Amortization of intangible asset	**34,918**	44,123
Amortization of deferred SPAN contributions	**(578,752)**	(578,752)
	441,533	620,877
Changes in non-cash working capital		
Accounts receivable and accrued interest	**9,531**	(46,125)
Municipal requisitions receivable	**(9,488)**	12,766
Prepaid expenses	**(88,373)**	10,327
Accounts payable	**(276,587)**	(96,223)
Government remittances payable	**2,280**	(34)
Deferred revenue	**45,273**	(61,200)
	124,169	440,388
INVESTING		
Purchase of capital assets (Note 4)	**(71,586)**	(76,367)
FINANCING		
Repayment of obligations under capital lease	**(88,818)**	(54,288)
(DECREASE) INCREASE IN CASH	**(36,235)**	309,733
CASH, BEGINNING OF YEAR	**414,675**	104,942
CASH, END OF YEAR	$ **378,440**	$ 414,675

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Years ended December 31, 2012 and December 31, 2011

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of The Assessment Management Agency Act (the "Act") on March 1, 1987. The Agency is exempt from income taxes pursuant to Section 149(1) of The Income Tax Act.

2. ADOPTION OF NEW ACCOUNTING FRAMEWORK

During the year ended December 31, 2012, the Agency adopted the new Canadian accounting standards for not-for-profit organizations (the "new standards") issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") and set out in Part III of the CICA Handbook. In accordance with Section 1501 of Part III of the CICA Handbook, First-time adoption, ("Section 1501"), the date of transition to the new standards is January 1, 2011 and the Agency has prepared and presented an opening statement of financial position at the date of transition to the new standards. This opening statement of financial position is the starting point for the Agency's accounting under the new standards. In its opening statement of financial position, under the recommendations of Section 1501, the Agency:

(a) Recognized all assets and liabilities whose recognition is required by the new standards;
(b) Did not recognize items as assets or liabilities if the new standards do not permit such recognition;
(c) Reclassified items that it recognized previously as one type of asset, liability or component of equity, but are recognized as a different type of asset, liability or component of equity under the new standards; and
(d) Applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented and the standards have been applied retrospectively excluding cases where optional exemptions available under Section 1501 have been applied. The Agency has not elected to adopt any of the exemptions available under Section 1501.

The impact of the adoption of the new standards on the statement of financial position as at January 1, 2011 is limited to the following:

Government remittances payable

The new standards require separate disclosure of the amount of government remittances payable. However, there is no amount of government remittances payable as at January 1, 2011 to reclassify.

There was no impact of the adoption of the new standards on the statements of revenues and expenses and changes in fund balances or cash flows for the year ended December 31, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("NPO Standards") and reflect the following policies:

a) Use of estimates

The preparation of financial statements in conformity with NPO Standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

b) Fund accounting

The financial statements have been prepared in accordance with NPO Standards using the restricted fund method of reporting restricted contributions.

The Operating Fund accounts for the Agency's program delivery and administrative activities.

The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements and the SPAN system, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

d) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

e) Intangible asset

The Agency has no intangible assets with an indefinite life. Other intangible assets are accounted for at cost. Amortization is based on their estimated useful life using the straight line method.

f) Computer software development costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under NPO Standards. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) SPAN development costs

Expenditures related to the development of the Saskatchewan Property Assessment Network ("SPAN") were capitalized. The project, which began in June 2002 and was substantially completed in January 2005, allowed the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment.

h) Reserves

Reserves are established by Board of Directors' approval through appropriations of unrestricted net assets.

i) Revenue recognition

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan, and the municipal requisitions from participating municipalities. Approved operating grants and municipal requisitions are recorded as revenue in the period to which they relate. Grants and municipal requisitions approved but not received at the end of an accounting period are accrued. Other revenues are recognized as revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments

The Agency initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The Agency's financial assets measured at amortized cost include cash, accounts receivable and accrued interest, municipal requisition receivable, and Province of Saskatchewan grants receivable.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Agency recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

Foreign exchange risk

The Agency does not have any significant exposure to foreign exchange risk.

Interest rate risk

The Agency is not exposed to significant interest rate risk.

Credit risk

The Agency is not dependent on any single customer or group of customers. There is no concentration of credit risk related to the Agency's accounts receivable.

Liquidity risk

The Agency's objective is to have sufficient liquidity to meets its liabilities when due. The Agency monitors its cash balance and cash flows generated from operations to meet its requirements. As at December 31, 2012, the most significant financial liabilities are: accounts payable, government remittances payable, and obligations under capital lease.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	December 31, 2012 Net Book Value	December 31, 2011 Net Book Value	January 1, 2011 Net Book Value
Computer and equipment	$ 141,555	$ 64,029	**$ 77,526**	$ 83,094	$ -
Furniture and equipment	690,846	657,309	**33,537**	38,873	115,380
Leasehold improvements	206,423	195,918	**10,505**	19,324	28,912
SPAN system	5,940,000	4,782,500	**1,157,500**	1,736,252	2,315,005
Furniture and equipment under capital lease	138,530	27,706	**110,824**	-	-
Computer and equipment under capital lease	451,649	261,957	**189,692**	247,202	391,429
	$ 7,569,003	$ 5,989,419	**$1,579,584**	$ 2,124,745	$ 2,850,726

During the year, the Agency acquired $138,530 (2011 - $nil) of furniture and equipment under capital lease.

Amortization expense for the year comprised the following:

	2012	2011
Amortization of equipment and leasehold improvements	**$ 176,522**	$ 223,596
Amortization of SPAN system	**578,752**	578,752
	$ 755,274	$ 802,348

5. INTANGIBLE ASSET

	December 31, 2012			December 31, 2011	January 1, 2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Computer software	**$ 120,336**	**$ 89,068**	**$ 31,268**	$ 66,185	$ 110,308

6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2007, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province of Saskatchewan that the conditions attached to the funding are being met.

	December 31 2012	December 31 2011	January 1 2011
Deferred contributions, beginning of year	**$ 1,736,253**	$ 2,315,005	$ 2,893,757
Amortization of deferred contributions	**(578,752)**	(578,752)	(578,752)
Deferred contributions, end of year	**1,157,501**	1,736,253	2,315,005
Current portion	**(578,752)**	(578,752)	(578,752)
	$ 578,749	$ 1,157,501	$ 1,736,253

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

7. OBLIGATIONS UNDER CAPITAL LEASE

	December 31 2012	December 31 2011	January 1 2011
Lease contract, repayble in monthly instalments of $5,171 including interest at 7.5%.	**$ 14,869**	$ 73,824	$ 128,112
Lease contract, repayble in monthly instalments of $2,492 including interest at 5%.	**108,665**	-	-
Current portion	**(44,774)**	(58,502)	(54,288)
	$ 78,760	$ 15,322	$ 73,824

Future minimum payments under capital leases together with the balance of the obligations due under the capital leases are as follows:

2013	$ 45,227
2014	29,905
2015	29,905
2016	29,905
	134,942
Less amounts representing interest	11,408
	123,534
Current portion	44,774
	$ 78,760

8. INTERNALLY RESTRICTED RESERVES

	December 31 2012	December 31 2011	January 1 2011
Reserves, beginning of year	**$ 1,183,978**	$ 781,077	$ 1,386,454
Reserves made during the year	**564,083**	615,000	311,440
Approved expenditures made during the year (net of transfers)	**(377,875)**	(212,099)	(916,817)
Reserves, end of year	**$ 1,370,186**	$ 1,183,978	$ 781,077

The balance in reserves comprised the following:

	December 31 2012	December 31 2011	January 1 2011
Reserve for communications	**$ 35,000**	$ 35,000	$ 35,000
Reserve for computer enhancements	**257,993**	256,451	103,803
Reserve for professional fees	**748,110**	777,527	402,073
Reserve for travel	**115,000**	115,000	115,000
Reserve for job reclassification	**214,083**	-	-
Reserve for restructuring	**-**	-	125,201
	$ 1,370,186	$ 1,183,978	$ 781,077

8. INTERNALLY RESTRICTED RESERVES (continued)

a) Reserve for communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system.

b) Reserve for computer enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2012, $40,000 (2011 – $135,000) was transferred to the reserve , $nil (2011 - $33,524) was transferred in to the reserve from the restructuring reserve, and approved expenditures were $38,458 (2011 – $15,876).

c) Reserve for professional fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2012, $310,000 (2011 – $480,000) was transferred to the reserve, $nil (2011 - $25,000) was transferred in to the reserve from the restructuring reserve, and approved expenditures were $339,419 (2011 – $129,546).

d) Reserve for travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical re-inspection of property in municipalities.

e) Reserve for job reclassification

A reserve has been established to provide for retroactive wage costs incurred to implement a job reclassification system. In 2012, $214,083 (2011 - $nil) was transferred to the reserve.

f) Reserve for restructuring

A reserve had been established to provide for the payment of severance packages to employees, due to budgetary constraints in provincial funding during 2010. In 2011, $58,524 was transferred out of the reserve and into the reserves for professional fees and computer enhancements, and approved expenditures were $66,677.

9. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2013 and 2017. Annual lease payments over the next five years are as follows:

2013	$	942,662
2014		939,999
2015		943,724
2016		784,690
2017		674,782

10. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan ("PEPP"), a defined-contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan ("PSSP"), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan's General Revenue Fund.

The total pension cost to the Agency for employees in PEPP was $709,887 (2011 - $691,269).

11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of significant influence by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	December 31 2012	December 31 2011	January 1 2011
Operating expenses	**$ 1,821,750**	$ 1,727,778	$ 1,804,483
Accounts payable	**120,434**	58,495	40,384
Government remittances payable	**2,314**	34	-
Accounts receivable	**3,000**	-	-

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

12. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations (60%) (2011 – 60%).

13. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted for the current year.

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

QUALITY ASSURANCE 2012 REPORT

Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.

Gordon S. Senz, Managing Director
March 1, 2013

QUALITY ASSURANCE REPORT

2012

Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.

Gordon S. Senz, Managing Director
March 1, 2013

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

- SAMA IS THE REGULATORY AGENCY RESPONSIBLE FOR PROPERTY ASSESSMENT IN SASKATCHEWAN.

SAMA's independent Quality Assurance Division is responsible for the assessment roll confirmation process, undertaking assessment audits (annual confirmation and primary audits on all municipalities) to ensure that municipality's assessments are prepared and administered in accordance with the requirements set out in applicable legislation.

- QUALITY ASSURANCE DIVISION IS INDEPENDENT FROM THE REST OF THE AGENCY.

It has no involvement in property assessment valuation, or setting of policy respecting property assessment valuation. Quality Assurance is accountable directly to the SAMA Board of Directors through the Managing Director of Quality Assurance.

- THE SAMA BOARD OF DIRECTORS DEVELOPED AND ADOPTED VISION, MISSION, AND PRINCIPLES SPECIFICALLY FOR THE AGENCY'S QUALITY ASSURANCE (OVERSIGHT) MANDATE.

The Vision, Mission, and Principles establish the Board's position and expectations regarding the property assessment audit mandates, and the efforts undertaken by Quality Assurance in conducting its audit work.

QUALITY ASSURANCE

VISION The SAMA Board, through its independent and directly accountable QA Division, fosters public trust by ensuring property assessments meet prescribed statutory requirements.

MISSION To provide unbiased, responsive, professional and collaborative audits of mass appraisal valuation processes and municipal Rolls through an independent and directly accountable QA Division.

For more information regarding Quality Assurance and the audits undertaken by the division, please visit the SAMA website (www.sama.sk.ca) and refer to the document 'Property Assessment Audits in Saskatchewan Guide' under the Audit Guides option.

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

THE CONFIRMATION AUDIT

This audit reviews for accuracy and statutory compliance of a municipality's assessment roll. The confirmation audit is initiated once a municipality submits an assessment return to Quality Assurance. The return form (established by Board Order) requires the municipality to report all changes made to their assessment roll since it was last confirmed.

For the 2012 assessment roll year, Certificates of Confirmation were issued for 756 municipalities (99.5% of all received returns for 2012). As at March 1, 2012 confirmation audits were in progress for 4 municipal assessment rolls, and 15 assessment returns that have not yet been submitted for 2012. Assessment rolls that were confirmed for 2012 met the statutory accuracy and compliance requirements. Quality Assurance provided considerable assistance to municipalities over the year in resolving various assessment roll issues.

THE PRIMARY AUDIT

This audit reviews the compliance of appraisal level for improved residential and commercial properties that have sold. Legislation requires these two property types to be valued using the "market valuation standard." The appraisal level audit reviews the average ratio level of assessment to the adjusted sale price for the two sold property types at the municipal level to ensure there is compliance with the statutory median assessment to sale ratio range of 0.98 to 1.02. When the median assessment to sale ratio is 1.0, that indicates that on average, these property types are assessed at the same level as the sale prices. Both the confirmation and primary audits must successfully pass in order for Quality Assurance to recommend the municipality's assessment roll for confirmation by the SAMA Board of Directors.

For 2012, all primary audits passed, and were compliant with the regulated ratio.

THE SECONDARY AUDIT

This audit is a detailed or comprehensive audit concerning matters of property assessment statutory compliance. Secondary audits would typically focus on matters of egregious statutory non-compliance. Secondary audits were not required in 2012.

- QUALITY ASSURANCE MAINTAINS AND PUBLISHES INFORMATION RELATED TO PROPERTY ASSESSMENT AUDITS AND ASSESSMENT ROLL CONFIRMATIONS ON THE SAMA WEBSITE.

Reports and information regarding assessment roll confirmations is kept current, and is generally updated within several days following SAMA Board meetings.

- A SUMMARY OF CONFIRMED ASSESSMENT TOTALS

These totals are presented in the two tables that follow. The first table summarizes confirmed assessment totals by tax class and municipal type for 2012. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2010 through 2012. More specific confirmed assessment information by municipality is available on the SAMA website.

- CONFIRMED AGGREGATE ASSESSMENT TOTALS (PERCENTAGES OF VALUE APPLIED) BY TAX STATUS AND BY YEAR

2012 CONFIRMED ASSESSMENTS		URBAN CITIES	URBAN TOWNS	URBAN VILLAGES	URBAN RESORT VILLAGES	URBAN ALL URBAN MUNICIPALITIES
TAXABLE	Non-Arable	716,960	673,400	283,635	118,560	1,792,575
	Other Agricultural	13,334,701	12,061,885	7,588,441	59,180	33,044,207
	Residential	18,407,708,092	2,871,625,196	591,726,784	222,452,405	22,093,514,477
	Multi-Unit	2,934,869,849	125,015,086	10,008,894	8,274,140	3,078,167,969
	Seasonal Residential	0	20,667,500	13,509,300	464,407,979	498,584,779
	Commercial and Industrial	6,928,687,755	722,277,523	90,284,504	33,212,000	7,774,461,782
	Elevators	32,823,800	55,960,387	11,910,600	0	100,694,787
	Railway R/W and Pipeline	38,205,645	13,955,250	15,154,500	25,875	67,341,270
	Taxable Total	28,356,346,822	3,822,236,227	740,468,658	728,550,139	33,647,601,846
EXEMPT	Non-Arable	5,880,685	289,080	45,760	121,520	6,337,045
	Other Agricultural	25,427,534	1,899,490	842,038	62,095	28,231,157
	Residential	194,782,234	80,844,865	11,364,532	11,144,140	298,135,771
	Multi-Unit	86,692,383	14,661,220	280,686	0	101,634,289
	Seasonal Residential	0	2,552,340	369,040	29,421,070	32,342,450
	Commercial and Industrial	6,183,229,708	1,157,323,146	316,299,276	16,231,100	7,673,083,230
	Elevators	3,614,775	97,163	141,675	0	3,853,613
	Railway R/W and Pipeline	33,144,150	4,041,075	1,867,725	0	39,052,950
	Exempt Total	6,532,771,469	1,261,708,379	331,210,732	56,979,925	8,182,670,505
PROVINCIAL GRANT-IN-LIEU	Non-Arable	6,320	280	0	0	6,600
	Other Agricultural	988,725	6,105	5,610	0	1,000,440
	Residential	40,287,950	16,459,870	2,519,020	28,350	59,295,190
	Multi-Unit	205,737,778	10,820,390	2,486,190	0	219,044,358
	Seasonal Residential	0	0	0	3,570	3,570
	Commercial and Industrial	586,646,449	26,428,200	4,017,600	861,300	617,953,549
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	0	470,850	0	0	470,850
	Provincial Grant-in-Lieu Total	833,667,222	54,185,695	9,028,420	893,220	897,774,557
FEDERAL GRANT-IN-LIEU	Non-Arable	0	0	0	0	0
	Other Agricultural	306,315	102,685	0	0	409,000
	Residential	36,221,660	2,486,260	1,476,160	0	40,184,080
	Multi-Unit	39,524,720	266,560	260,820	0	40,052,100
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	220,998,520	19,858,100	3,089,600	0	243,946,220
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	6,831,660	1,028,250	565,350	0	8,425,260
	Federal Grant-in-Lieu Total	303,882,875	23,741,855	5,391,930	0	333,016,660

2010-2012 CONFIRMED TAXABLE ASSESSMENTS		URBAN CITIES	URBAN TOWNS/VILLAGES/RESORTVILLAGES	URBAN MUNICIPAL TOTALS
TAXABLE	2010 Totals	27,093,576,643	5,418,655,831	32,512,232,474
	Change from 2009	4.24%	-4.73%	2.63%
	2011 Totals	27,818,575,803	5,519,522,299	33,338,098,102
	Change from 2010	2.68%	1.86%	2.54%
	2012 Totals	28,356,346,822	5,291,255,024	33,647,601,846
	Change from 2011	1.93%	-4.14%	0.93%

- CONFIRMED AGGREGATE ASSESSMENT TOTALS (PERCENTAGES OF VALUE APPLIED) BY TAX STATUS AND BY YEAR

RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN PROVINCIAL TOTAL
849,273,745	153,360	851,219,680
8,984,723,193	884,235	9,018,651,635
2,679,991,547	226,398,410	24,999,904,434
48,710,090	14,917,490	3,141,795,549
857,120,874	75,074,930	1,430,780,583
8,034,555,785	364,244,100	16,173,261,667
350,288,971	0	450,983,758
2,560,368,600	242,325	2,627,952,195
24,365,032,805	681,914,850	58,694,549,501
23,350,980	1,997,840	31,685,865
47,665,831	339,735	76,236,723
1,213,152,182	20,550,530	1,531,838,483
1,500,980	830,480	103,965,749
42,038,453	5,053,930	78,434,833
970,713,985	129,839,800	8,773,637,015
34,976,054	0	38,829,667
185,390,700	0	224,443,650
2,518,789,165	158,612,315	10,860,071,985
43,197,950	0	43,204,550
3,270,200	0	4,270,640
1,055,950	196,210	60,547,350
0	177,660	219,222,018
0	20,440	24,010
77,959,267	14,825,900	710,738,716
0	0	0
35,844,300	0	36,315,150
161,327,667	15,220,210	1,074,322,434
100,873,600	0	100,873,600
7,092,305	0	7,501,305
7,206,060	1,727,460	49,117,820
5,331,480	0	45,383,580
0	560	560
109,927,600	6,482,100	360,355,920
0	0	0
4,992,075	0	13,417,335
235,423,140	8,210,120	576,649,920

RURAL MUNICIPAL TOTALS	NORTHERN MUNICIPAL TOTALS	SASKATCHEWAN PROVINCIAL TOTALS
23,003,487,769	686,577,205	56,202,297,444
1.29%	0.32%	2.05%
23,389,736,291	683,920,495	57,411,254,885
1.68%	-0.39%	2.15%
24,365,032,805	681,914,850	58,694,549,501
4.17%	-0.29%	2.23%

IMPORTANT
APPLIES TO BOTH ADJOINING TABLES

2009 - 2012 assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:

Non-Arable Land	40%
Other Agricultural	55%
Residential/Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	75%
Railway R/W and Pipeline	75%

THE FOLLOWING MUNICIPAL ASSESSMENT ROLLS WERE NOT CONFIRMED AS AT MARCH 1, 2013 FOR THE ASSESSMENT YEAR INDICATED. THEREFORE THEIR ASSESSMENT VALUES ARE NOT INCLUDED IN THE ADJOINING TABLES.

YEAR	MUNICIPALITY
2012	N. Village of Pinehouse N. Village of Sandy Bay R.M. of Hazel Dell No. 335 R.M. of Norton No. 069 Town of Coronach Town of Hepburn Village of Albertville Village of Duff Village of Fillmore Village of Gladmar Village of Glaslyn Village of Love Village of Pangman Village of Roche Percee Village of Ruddell Village of Ruthilda Village of Weldon Village of Wilcox Village of Young
2010 / 2011	Village of Duff Village of Gladmar

NOTES

SAMA CENTRAL OFFICE

200 - 2201 - 11th Avenue
Regina SK S4P 0J8
Ph: 924-8000 Fax: 924-8070 Toll Free: 1-800-667-7262
Web: www.sama.sk.ca

SAMA REGIONAL OFFICES

Melfort
1121 Main St., P.O. Box 1089
Melfort SK S0E 1A0
Ph: 752-6142 Fax: 752-6151 Toll Free: 1-800-216-4427

Moose Jaw
228 Main St. North, 4th Floor
Moose Jaw SK S6H 3J8
Ph: 694-4425 Fax: 694-4505 Toll Free: 1-866-398-7889

North Battleford
702, 1101 – 101st Street
North Battleford SK S9A 0Z5
Ph: 446-7665 Fax: 446-7568 Toll Free: 1-800-824-2570

Regina
600 - 2201 - 11th Avenue
Regina SK S4P 0J8
Ph: 924-8080 Fax: 924-8088 Toll Free: 1-800-498-0578

Saskatoon
300, 333 - 25th Street East
Saskatoon SK S7K 0L4
Ph: 933-5385 Fax: 933-7997 Toll Free: 1-800-667-5203

Swift Current
350 Cheadle Street West
Swift Current SK S9H 4G3
Ph: 778-8444 Fax: 778-8445 Toll Free: 1-800-498-0574

Weyburn
314 - 110 Souris Avenue
Weyburn SK S4H 2Z8
Ph: 848-2397 Fax: 848-2399 Toll Free: 1-800-498-0575

Yorkton
45B Palliser Way
Yorkton SK S3N 4C5
Ph: 786-1370 Fax: 786-1372 Toll Free: 1-800-498-0576

sama

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